



RULE-MAKING ORDER

CR-103 (June 2004)
(Implements RCW 34.05.360)

Agency: Department of Revenue

☒ **Permanent Rule**

☐ **Emergency Rule**

Effective date of rule:

Permanent Rules

☒ 31 days after filing.

☐ Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Effective date of rule:

Emergency Rules

☐ Immediately upon filing.

☐ Later (specify)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

☐ Yes

☒ No

If Yes, explain:

Purpose:

(See attachment.)

Citation of existing rules affected by this order:

Repealed:

Amended: WAC 458-20-24001 Sales and use tax deferral - Manufacturing and research/development activities in rural counties -Applications filed after March 31, 2004

WAC 458-20-24001A Sales and use tax deferral - Manufacturing and research/development activities in rural counties -Applications filed prior to April 1, 2004

Suspended:

Statutory authority for adoption: RCW 82.32.300 and 82.01.060(2)

Other authority :

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR 06-11-185 on 5/24/2006 .

Describe any changes other than editing from proposed to adopted version: **There is only one change from the proposed rule. The adopted version of the rule explicitly explains that processors for hire may qualify for the deferral program as being engaged in manufacturing activities.**

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: **An analysis was not prepared.**

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

☐ That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.

☐ That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

Date adopted:

Name (type or print)

Janis P. Bianchi

Signature

Title Assistant Director

Interpretations and Technical Advice Division

Filed: August 3, 2006

Time: 3:57 p.m.

WSR: 06-17-007

The above information was input by DOR

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	Amended		Repealed
Federal rules or standards:	New	Amended		Repealed
Recently enacted state statutes:	New	Amended	2	Repealed

The number of sections adopted at the request of a nongovernmental entity:

New	Amended		Repealed
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The number of sections adopted in the agency's own initiative:

New	Amended	2	Repealed
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	Amended		Repealed
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The number of sections adopted using:

Negotiated rule making:	New	Amended		Repealed
Pilot rule making:	New	Amended		Repealed
Other alternative rule making:	New	Amended	2	Repealed

Attachment to CR-103 filing for:

WAC 458-20-24001 Sales and use tax deferral - Manufacturing and research/development activities in rural counties -Applications filed after March 31, 2004

WAC 458-20-24001A Sales and use tax deferral - Manufacturing and research/development activities in rural counties -Applications filed prior to April 1, 2004

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

Chapter 82.60 RCW establishes a sales and use tax deferral program. The purpose of the program is to promote economic stimulation, create employment opportunities, and reduce poverty in certain areas of the state. The legislature established this program to be effective solely in those areas and under circumstances where the deferral is for investments that result in the creation of a specified minimum number of jobs or investment for a qualifying project.

These rules explain the sales and use tax deferral program's eligible area criteria, hiring requirements, reporting and monitoring procedures, and tax repayment requirements. They also explain the application procedure and review process, how the deferral certificate is to be used, and the record-keeping requirements of the deferral program.

The Department is proposing a revision to these rules to incorporate provisions of chapter 25, Laws of 2004 and chapter 142, Laws of 2006. These provisions:

- Extend the expiration date of the deferral program to July 1, 2010;
- Require a recipient of the deferral to complete an annual survey;
- Revised the definitions of eligible area and eligible investment project; and
- Expanded the definition of manufacturing for purposes of the deferral program to include the conditioning of vegetable seed.

Rule 24001 is being revised to address the deferral program as it applies to persons who file applications after March 31, 2004. Information addressing the deferral program for the period of August 1, 1999 through March 31, 2004 is being moved from Rule 24001 to Rule 24001A.